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**The Vermont Marble  
Company Stores**



PROCTOR FREE LIBRARY

*The Proctor Company Store about 1885.*

# Introduction

The success of the marble industry in Vermont is largely attributed to one individual, Redfield Proctor, Sr. His consolidation of several small operations into what became known as the Vermont Marble Company began with Proctor partnering in a small marble mill at Sutherland Falls in November 1869 and forming the Sutherland Falls Marble Company the following fall. By 1880 he had taken the company out of debt and in that same year by a stroke of luck he was introduced to Elisha Riggs, a New York banker and president of the Rutland Marble Company, while visiting a mutual friend in New York City. Riggs was aware of Proctor's success and proposed that he take over the management of Riggs' ailing company. By the time Proctor left the city that evening he was the president of the Rutland Marble Company with a thousand dollar a month salary and the owner of the largest amount of stock. In September 1880 he combined the two companies into the Vermont Marble Company.

As the nation became industrialized in the second half of the nineteenth century large manufacturers that dominated a single town began to build and run company stores where workers could purchase supplies by trading their wages against their purchases. Some stores even allowed employees to acquire a thirty-day sum of credit against anticipated wages. With this arrangement individuals could conclude a pay period owing the store. Worse yet, some companies paid workers in scrip that only could be used in their stores.

The growth of the marble industry in West Rutland and in Sutherland Falls resulted in an increase in population whose needs had to be met in some way. With no adequate means of transportation to Rutland for many of these workers, company stores sprang up in this area. Proctor "inherited" some of these stores as he acquired some companies and continued to own and operate them in West Rutland, Center Rutland, Florence and Proctor. The Vermont Marble Company, however, never had the derogatory term of "company store" applied to their businesses.

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# The Vermont Marble Company Stores

By Mary Fregosi

## The Proctor Store

There was a time when teams from nearby Pittsford made two trips a week to Sutherland Falls to deliver and take orders for residents there. This arrangement continued until Haywood and Hay began operating a store in the marble yards just north of the Sutherland Falls office building. The partners owned the goods and rented the building from the company.<sup>1</sup> On 22 August 1872, a fire broke out in the cellar of the store around 9:00 p.m. and destroyed the building and its contents. The building, insured for \$800.00, was estimated at a loss of \$1500.00. The Sutherland Marble Company also lost over a thousand dollars worth of marble that was ruined due to the intensity of the blaze.<sup>2</sup> News of the fire made the Boston papers, one of which carried a headline that read: "Village Faces Starvation". That clearly was not the case, however, because while the store burned the Clarendon and Pittsford Railroad crew traveled to the West Rutland store and loaded a boxcar full of essentials. By morning the store was doing business as usual in various buildings in the village. Residents bought groceries in the old library building, drugs and medicines in a room in the Sutherland Realty block, and dry goods and men's furnishings from the basement of the Village Hall.<sup>3</sup>

Redfield Proctor, Sr. wasted no time in building a new store on the same site but rather than lease the store he decided to hire H. E. Spencer to manage it. On 16 December 1872, the store opened its doors and for the most part sold staple groceries and feed.<sup>4</sup> The size of the facility and the offerings were adequate for ten years until the needs of the growing numbers employed by the company could not be accommodated. Hesitant to construct a new store in the frog pond just south of the shops, Proctor finally gave his consent to the project and the area was filled and graded in preparation for the 100 foot

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<sup>1</sup> David C. Gale, Proctor: *The Story of a Marble Town* (Brattleboro: The Vermont Printing Company, 1922), 208. n.b. Otto T. Johnson referred to the partnership as Haywood and Vaughan.

<sup>2</sup> *Rutland Daily Herald*, 23 August 1872, 3.

<sup>3</sup> H. Ladd Smith, History of the Company Stores in Annual Report for the Vermont Marble Company, 1932, 6.

<sup>4</sup> Smith, 4.

long and 50 foot wide structure that was finished in 1882.<sup>5</sup> In the early 1890s a 72 foot long and 50 foot wide room was attached to the store. The second floor housed the library and Odd Fellows Hall and the post office and a barbershop were in the basement.<sup>6</sup>



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*Old Cooperative Store in Proctor at the turn of the century.*

Proctor was fully invested in this type of arrangement and early in the 1880s experimented with a cooperative store system, but it did not work due to what some considered the unreasonable financial expectations of the employees.<sup>7</sup> Consequently, the store operated primarily on a passbook basis. Purchases were recorded in a passbook and at the end of the month they were added up and deducted from the individual's wages. It was possible to receive a "red pay envelope" which indicated a balance still owed the company.

On 1 May 1903, it once again became a cooperative store.<sup>8</sup> The company did not take any of the profits. Operating expenses such as rent, merchandise, and salaries as well as interest of 4% of the capital were deducted. The remainder was divided among employees

<sup>5</sup> Gale, 211.

<sup>6</sup> *Ibid.*, 213.

<sup>7</sup> Smith, 7.

<sup>8</sup> Frank C. Partridge, "An Experiment in Corporation Store" in *The Vermonter*, May 1905, 322.

based on the sum of their individual purchases for the year.<sup>9</sup> There was a representative committee of five employees whose main responsibility was to take a "consultative part in the management and...to supervise and audit the settlement of its business and the distribution of the profits at the end of the year."<sup>10</sup> It probably can be argued that the store was never a cooperative since the company assumed the responsibility for losses if they were to occur.

Frank C. Partridge, a company executive, noted that the cooperative store system relieved the Vermont Marble Company from any suspicion about its motives in running a store and promoted a "healthy feeling of confidence and co-operation" which should exist between employer and employees.<sup>11</sup> H. Ladd Smith, another company man, noted that the company did not take advantage of their employees by operating a store. He pointed out that before any legislation requiring weekly cash payments and prohibiting the abuses of the company store system that were so prevalent in other areas, the Vermont Marble Company had instituted weekly pay in 1907 and a basis of cash in its stores. Deserving employees, however, were given the privilege of regular weekly payments if they purchased large items such as furniture.<sup>12</sup>

For the next ten years the company store at Proctor operated at a profit and paid dividends but in March 1913 a flood filled the cellar and basement of the store.



*Proctor Store after the flood of March 1913.*

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<sup>9</sup> Gale, 213.

<sup>10</sup> Partridge, 322.

<sup>11</sup> Partridge, 323.

<sup>12</sup> Smith, 8.

This setback was inconsequential compared to the devastating fire that ravaged the building on November 11<sup>th</sup> of the same year. W. F. Randall, one of the company's night watchmen, discovered the conflagration around 9:00 p.m. and immediately got word to people at the Y.M.C.A. building across the street. Several men from there arrived on the scene in hopes of saving some goods but the store was engulfed in flames and they only managed to save a little jewelry, a few guns and some ammunition. The fire was so intense that it lit up the night sky, and individuals from Rutland and as far away as Brandon journeyed to Proctor to witness it. The loss was estimated at \$120,000.00 but the insurance covered only \$70,000.00. The building was valued at \$25,000.00 and the contents of the stock at over \$90,000.00. The small building in the rear used for a stable and for delivery wagons was also destroyed. While the fire fighters were unable to save these structures, their herculean efforts throughout the night kept the fire from spreading to the office building and the shops.<sup>13</sup>



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*Proctor Store fire 11 November 1913.*

Undeterred by the loss of yet another store, Proctor set in motion plans to build a much-improved, modern structure on the site of the old stone schoolhouse in the village. The building was designed by Frost and Chamberlain of Worcester, Massachusetts and was built by Thomas Rogers, a contractor from Brandon. The three-story structure was 75 feet square and was constructed of solid brick with marble trimmings and tapestry bricks. According to the *Rutland Daily Herald* article published on 6 March 1915, the day the store opened, the building, "[b]esides being of the most fireproof

<sup>13</sup> "Village Loses Supply Source", *Rutland Daily Herald*, 12 November 1913, 1.

construction, is one of the best equipped and most modern buildings of its kind in this part of New England..." There were two street entrances, one on the first floor and one on the second. The fixtures came from the Grand Rapids Show Case Company and were finished in fumed and golden oak. The interior wall finish was of marble white, with a trim of hard pine stained to match the fixtures.<sup>14</sup>



*Proctor Store after 1915.*

This was not an ordinary emporium. A brief examination of each floor gives an idea of the types of merchandise available at this site. Two large plate glass show windows were located on the first floor and upon entering the store at that level there were a men's and boys' furnishings section and a shoe department to the right. At the left there was a drug department that carried cigars, confectionaries, sporting goods, and sundries besides drugs. In the back was the grocery department in back of which was a loading and delivery room. A large refrigerator was connected with the Brunswick refrigerating plant in the basement. New additions included an electric counter coffee grinder and a meat-slicing machine as well as the latest type of display counter bins. At the left of the grocery department was the hardware and paint section of the store.<sup>15</sup>

Access to a mezzanine floor was via a stairway in the back left of the first floor. This area functioned as the office and contained a vault. A

<sup>14</sup> "New Store at Vermont Marble Company, At Proctor To Be Opened Today", Rutland Daily Herald, 6 March 1915,.

<sup>15</sup> *Ibid.*

Lamson cash carrier system served both floors. The second floor could be accessed by stairs or through a vestibule opening on the Church Street side of the building. To the right was a dry goods department that included misses' and women's garments and shoes as well as jewelry. At the rear of this floor was a wallpaper department. Crockery, furniture, rugs and carpets took up the rest of the space. At the back of this floor were a huge packing room and a woman's fitting room. The third floor was finished for offices and was reached by a stairway from the vestibule on the second floor.<sup>16</sup>

The basement was outfitted with the most efficient equipment at the time. There was a sizeable steam-heating plant and a large dry storage room along with potato bins. There also was a large refrigerator mechanically cooled by a Brunswick refrigerating machine. This equipment allowed the store to sell green vegetables, fruits, and other perishable goods that it previously had not been able to do. An electric elevator went from the basement to the third floor. To insure against fire the building was equipped with an automatic fire sprinkler system.<sup>17</sup>



*First floor of Vermont Marble Company Store.*

<sup>16</sup> *Ibid.*

<sup>17</sup> *Ibid.*





*Second floor of Vermont Marble Company Store.*

Proctor's vision for a first class store for his employees in the Village was realized with the construction of this building. He reasoned that without the company's capital, residents could not be provided with the variety and quality of goods they ought to own nor could they purchase them elsewhere at economical prices.<sup>18</sup> Deliberate attempts were made to check on store prices in typical towns in Vermont to determine the price for goods of comparable quality against the price of goods at the cooperatives store. One such study was conducted in 1914. It was discovered that prices in representative stores in Windsor, Bellows Falls, Northfield, Burlington and Rutland were from a fraction of a percent to sixteen percent higher than those sold in Proctor on the same day. Using John Dunn's store in Rutland as a comparison it was found that those prices were only a fraction of a percent higher than the cooperative store's. While these figures were not conclusive it did seem to indicate that the company was making it possible for its employees to live as cheaply as anywhere in Vermont.<sup>19</sup>

America's entry into World War I brought challenges and changes to the company store. The annual report for 1917 indicates that the Proctor and Florence stores combined averaged over \$1000.00 a day in sales while the store in West Rutland averaged \$462.00. High prices, shortages and government regulations made it a record year; however, it was the first time in the store's history that stocks of

<sup>18</sup> Partridge, 321.

<sup>19</sup> Company Store Report 1914, 3.

essentials such as flour and sugar were temporarily exhausted from time to time. The grocery departments operated under government licensure, a fact that required the store to sell at a reasonable profit above actual cost. It also meant that clerks had to deal with countless inventories, reports, and card records for rationing certain goods. This restriction resulted in the selling of merchandise far below replacement value. But the store made the best of the war days and even attempted to assist the public by offering prizes for suggestions in economizing. They also displayed charts of food values, menus, recipes for wheatless baking and potato substitutes. The home economics department of the Cavendish House provided demonstrations to assist the homemaker.<sup>20</sup> In November 1917 the company changed the name of the store to the cooperative store in order to avoid confusion with the marble business. There were no changes in management or conduct of the store.<sup>21</sup>

## The Cooperative Store at Proctor, Vt. Offer the following :

### GROCERY DEPARTMENT

#### Sugar Substitutes

Maple Karo.....	18c Can	Kanclasses .....	14c Can
Blue Label Karo.....	15c Can	Liquid Sugar Syrup.....	30c Qt.

#### BEANS—We Offer Vermont Grown

Red Kidney.....at	15c Lb.	Small Pea Beans.....at	15c Lb.
White Kidney.....at	15c Lb.	California Lima Beans...at	18c Lb.
Yellow Eye.....at	15c Lb.		

#### SPECIAL FOR SATURDAY

2 Barrels Shoulder Hams .....	25c Lb.
100 Pounds Bacon—Small Pieces .....	34c Lb.
Sliced Dried Beef.....	39c Lb.

#### Florida Oranges   Grapefruit   Head Lettuce   Celery

#### Men's Furnishing Goods Department

##### One Specia on Boys Shoes

Army Blucher Sizes 11½ to 5½.....All Sizes One Price,   **\$2.19** Pair  
 These shoes are worth to-day from \$2.75 to \$3.00 per pair  
Extra Value at our Special Price of \$2.19

*A portion of a 1918 advertising flyer from the Cooperative Store at Proctor.*

<sup>20</sup> Smith, 9.

<sup>21</sup> Company Store Report 1917, 3-4.

The store delivered goods in town at no cost but began to make a small charge for delivering merchandise in 1918. In that same year it discontinued taking orders by going house-to-house and delivering merchandise in Pittsford, a move that resulted in the elimination of one position.<sup>22</sup> The following year the store modernized once again, making its deliveries in a Ford truck that had cost \$723.00.<sup>23</sup> These changes resulted in the store no longer needing an additional four men and two teams.<sup>24</sup>

Employees continued to support the Proctor store. From 1914-1919 the percentage of employee purchases to total sales ran from a low of 61% to a high of 68%.<sup>25</sup> There were three stores in operation in 1919 and combined, they averaged daily sales of \$1,850.00.<sup>26</sup> Business had been good and with the exception of 1913 when the flood and fire resulted in a loss for the first time in many years, the store posted a profit. That ended in 1921 when the store recorded a loss and subsequently did not provide a dividend to employee shoppers. The report noted that losses were not uncommon among retailers for the year.<sup>27</sup>

As transportation became more convenient residents began to shop in retail stores in Rutland. The cooperative store began to emphasize service to the customers, to outline protocols for daily work, and to insist that employees subscribe to a specific set of rules and regulations as outlined in the manual. Employees had to send cash to the cashier immediately upon receipt. Clerks could not wait on themselves or on members of their own families.<sup>28</sup> Checks could be cashed only by people to whom they were issued and only those from the Vermont Marble Company, the U.S. government, the town or village were accepted. The customer had to purchase some merchandise in order to cash such checks. In some cases, where the customer was known to the clerks, a personal check was accepted. While it was not specifically stated, those individuals were probably white-collar workers from the main office or shop superintendents.<sup>29</sup>

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<sup>22</sup> Company Store Report 1918, 4.

<sup>23</sup> Company Store Report 1919, no page number.

<sup>24</sup> Proctor War Cry Vol. No.16, 2 February 1918, 2.

<sup>25</sup> Company Store Report 1919, no page number.

<sup>26</sup> Company Store Report 1919, no page number. The stores were in Proctor, West Rutland, and Florence.

<sup>27</sup> Company Store 1921 Report, 2.

<sup>28</sup> Manual of the Cooperative Stores, 1.

<sup>29</sup> Manual of the Cooperative Stores, 2.

Clerks worked under the dictum that the customer was always right. No employee was to enter into an argument with a patron no matter how provoked. They were not to get upset if a customer entered the store at closing and they should be careful to take customers on a first come, first served basis except in the case of women who always got preference. Further they were instructed to always give full weight or count in every instance: "Short weight irks the customer and is illegal, overweight robs the store and is poor business."<sup>30</sup>

Besides the careful handling of cash and the respect for customers clerks also were to be good salesmen and exercise thrift. They were encouraged to sell merchandise by making suggestions that might appeal to customers. They were to make a note of requests for articles that the store did not carry so that the manager could consider satisfying these patrons by ordering that stock. Profit was the bottom line and they were to be careful about the liberal use of paper bags, paper, twine, and other types of packaging materials. "Economy", the manual stated, "is necessary for profits."<sup>31</sup>

It is apparent that not all employees followed the regulations carefully. In 1923 there were three cases of dishonesty among store employees that resulted in their dismissals. It was noted that: "Renewed efforts have been taken to improve our system and to remove temptation, making dishonesty difficult."<sup>32</sup>

In 1922 several stores were opened in Proctor. These competitors remained open at night and on Sundays and in addition, they extended credit to their customers; however, the following year's report noted that some of them had closed.<sup>33</sup> Figures for 1923 reveal that employee sales only accounted for 53% of the total sales for that year. The store had operated at a loss in 1921 and 1922 and it was theorized that there had been a loss of faith in a profit and dividend system, resulting in falling coupon book sales and the subsequent decrease in sales to employees.<sup>34</sup> Sales bounced back in 1924, however, as employee sales accounted for a healthy 63.5% of the total sales that year. Charles Mason, the manager, attributed it to the

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<sup>30</sup> Manual of the Cooperative Stores, 2.

<sup>31</sup> Manual of the Cooperative Stores, 3-4.

<sup>32</sup> Company Store Report 1923, 3.

<sup>33</sup> Company Store Report 1922, 3.

<sup>34</sup> Company Store Report 1923, 3.

"renewed faith in the dividend."<sup>35</sup> Sales that year were the second highest in the store's history.<sup>36</sup>

The cooperative store also operated a coal business. When the stores at Center Rutland and West Rutland were discontinued the coal accounts were incorporated into the Proctor and Florence report. Repairs to the shed in Proctor necessitated that a reserve of \$0.50 on every ton of coal sold be created in order to cover the cost.<sup>37</sup> But there were events that worked against this business as well. In 1926 a coal strike resulted in losses.<sup>38</sup> Poor delivery service resulted in the loss of customers but this seems to have been reversed once the coal delivery man was let go.<sup>39</sup> Changes in lifestyles also impinged on the coal business. It seems that many people were installing oil burners in their kitchen ranges. Some men in town were selling this equipment. That meant that the store had to expand and offer this type of heating equipment as well. To compete, it offered free cleaning service.<sup>40</sup>

The era of the cooperative store was drawing to a close in the Twenties. Increasingly, there were signs that customers were shopping elsewhere for at least some merchandise. The ladies' shoe department was the first to show signs of a very low turnover rate and in 1924 it was determined that they would keep it open for the convenience and service to the community.<sup>41</sup> In 1926 there were significant losses in that department once again as well as in men's furnishings.<sup>42</sup>

The year 1927 was critical for the Proctor cooperative. Competition was taking a toll on the store's profit margin and it was evident that the store had to make some operational adjustments if it was to continue. Retail stores existed to make a profit while the Proctor store existed to serve the community. Retail stores sold merchandise at a small margin over cost that resulted in a more rapid turnover than was evidenced at the cooperative store.<sup>43</sup> The chain stores eliminated all merchandise on which they could not make a fair profit, but the cooperative store tried to serve the wider needs of the public.<sup>44</sup>

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<sup>35</sup> Company Store Report 1924, 3.

<sup>36</sup> Company Store Report 1925, 1.

<sup>37</sup> Company Store Report 1923, 2.

<sup>38</sup> Company Store Report 1926, 3.

<sup>39</sup> Company Store Report 1930, 2-3.

<sup>40</sup> Company Store Report 1930, 3.

<sup>41</sup> Company Store Report 1924, 2.

<sup>42</sup> Company Store Report 1926, 4.

<sup>43</sup> Company Store Report 1927, 2.

<sup>44</sup> Company Store Report 1927, 3.

3951

3951 JAMES T GLASSON

Form 385. 3m-1-27

Here is a plain statement of Cooperative Store business for the year 1926:

During the year we have received from sale of merchandise and coal \$439,008.18. We have had to pay out for more merchandise, coal, salaries, heat, taxes, interest etc., \$429,966.40. This leaves us a profit for the year of \$9,041.78 and we have merchandise and coal on hand worth \$122,667.76.

The part of the total sales that were made to employes was \$279,835.29. We can pay back to the employes 3% on every dollar or 3% of their purchases during the year. This will mean a total dividend of \$8,395.05 and a balance of \$646.73 not divided which will be added to the receipts of 1927.

Your purchases during 1926 according to the books of the Store were \$ 373.06. Your share of the profit would therefore be \$ 11.19 and this amount is enclosed.

Wallace Fay	}	Cooperative Store Committee
Archie Anoe		
Peter Pellistri		
Alfred Olson		
Joseph Nagy		

February, 1927.

In the past twenty-three years the Cooperative Store has divided among Vermont Marble Company employes, Store profits totaling \$287,400.

*James T. Glasson's copy of the Cooperative Store Report for 1926.*

Albert D. Lawton replaced Charles Mason as manager in 1927. Mason had started as a bookkeeper at the Center Rutland store in 1898 and then went to Proctor to work, becoming manager in 1907<sup>45</sup> when H. E. Spencer retired after 35 years of service. The new manager acknowledged that competition in the field in recent years was of a nature and degree that had not been anticipated a decade prior. He stated, "There is a danger of thinking too often of one's competitors but there is also a danger arising from complacency and indifference."<sup>46</sup> He realized that the store could not continue being undercut by the competition and that the fundamental purpose of the store should be carefully reviewed. Clearly the store was at a crossroads: should it continue to serve the needs of the community or should it operate primarily for financial gain?<sup>47</sup>

Management tried to increase sales by introducing a more personal element in advertisements but a sales report indicated that this had achieved no appreciable success. Thought was also given to having continued markdowns, bargain sales, and cut price days but the manager was hesitant since "such methods...tend to lower the standing of a store in the eyes of people who consider value and quality ahead of price." Besides, he argued that disposing of merchandise at less-than-cost prices swelled sales reports but did not add to profits.<sup>48</sup>

One of the impediments to operating the Proctor store solely for financial gain was its geographical position. It was impossible to draw new customers from outside of town. As more people were taking advantage of the freedom the automobile offered, they were traveling to Rutland to trade in retail stores.<sup>49</sup> It was apparent that times were changing and the store had to do something to change with the times.

It seems that Lawton was brought on board to be the change agent. He remarked that although the sales force was of "probably higher intelligence than the average" they were not making the expected number of sales. While he noted that there were a "few striking exceptions" the group could be described as "made up of very likable but inefficient and easy-going individuals." Lawton believed that they felt secure in their positions. He proposed to hold their feet to the fire. He wanted department heads to take responsibility for the

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<sup>45</sup> The Exchange, July 1930, 1.

<sup>46</sup> Company Store Report 1927, 7.

<sup>47</sup> Company Store Report 1927, 9.

<sup>48</sup> Company Store Report 1927, 5.

<sup>49</sup> Company Store Report 1927, 8.

profitable operation of their part of the store and he instituted a simple bonus plan during the last two months of 1927 as a first step in getting sales clerks to hone their skills. He also recommended that new hires be added to the sales force and that their wages be financially attractive so as to keep them in the store's employ.<sup>50</sup>

As the new manager Lawton had to deal with the effects of the 1927 flood that submerged the downtown area. Several men made attempts to save merchandise that was stored in the cellar by forming a chain up the steps. They did this until the rising waters forced them out. Some later used an improvised raft with a candle headlight to rescue some items that were stored on higher racks but there were significant losses due to the high water.<sup>51</sup> It was estimated that approximately \$5,000.00 worth of merchandise was ruined in the floodwaters. Because of these losses no dividends were distributed that year.<sup>52</sup> Store workers sent supplies to the emergency housing at the high school to assist those who were forced to leave their homes.<sup>53</sup>

Financial struggles continued after 1927. Lawton made other attempts to interest families living just outside of Proctor to trade at the store but with little success.<sup>54</sup> For some reason 1928 signaled a period when customers displayed a "feeling of gloom and discouragement", making it difficult for clerks to effect sales.<sup>55</sup> Lawton complimented his staff on their efforts to encourage sales but customers curtailed their purchases, buying only necessities and those in small quantities. He also noted in his report that quite a few customers were beginning to trade with merchants who extended credit.<sup>56</sup>

Indeed, Lawton had come to the position of manager at a critical time. His 1928 report indicates that he spent a great deal of time analyzing the store's situation and trying to win back former customers. Once again, emphasis was on service and on monitoring the clerks. "An attempt is made to follow up every case of slackness or inattention that is reported and to see that the person at fault does not commit the same blunder a second time."<sup>57</sup> Further he could

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<sup>50</sup> Company Store Report 1927 6-7.

<sup>51</sup> Smith, 6.

<sup>52</sup> Company Store Report 1927, 3.

<sup>53</sup> Smith, 7.

<sup>54</sup> Company Store Report 1928, 5.

<sup>55</sup> Company Store Report 1928, 2.

<sup>56</sup> Company Store Report 1928, 3.

<sup>57</sup> Company Store Report 1928, 4.



not decrease expenses by cutting salaries or positions without having a negative effect on customer service.<sup>58</sup>

Lawton arrived at two conclusions about retailing. He stated that there were two types of successful stores. There were stores where merchants sold their goods for cash, at very low prices, and with little service except at the counters. The second type of store sold much of their merchandise on credit and provided delivery services.<sup>59</sup> The cooperative store, however, did not sell cheap goods but sold a higher grade of merchandise. To sell that merchandise at a price that would attract customers who were shopping at retail stores meant that the store would have to set a price at too small a profit margin.<sup>60</sup> Lawton was adamant that rather than deal in poor merchandise, he would prefer to close the store.<sup>61</sup> In addition, the cooperative store did not extend credit.

Meanwhile the ever present threat of competition from Rutland retail stores forced store officials to undergo some drastic changes in operations. The store joined the Independent Grocers' Alliance of America in 1929 in anticipation of the "much keener competition" which the manager felt was coming in the immediate future.<sup>62</sup> According to Lawton the changes in the arrangement of the grocery department due to its affiliation with I.G.A. resulted in a more attractive display and allowed the clerks to work more efficiently.<sup>63</sup> The biggest change came on March 15<sup>th</sup> 1929, when the store experimented with a 4% discount on the purchase of coupon books of \$5.00 denominations or larger. This discount was in lieu of keeping a record of sales to employees for the purpose of dividend payments. The change allowed the store to drop one clerk from the office force.<sup>64</sup> Notwithstanding these efforts, the store ended the year in the red.

In 1930 the store celebrated its fifteenth anniversary. Part of a *Rutland Daily Herald* article stated: "The cooperative store is not only the most attractive and largest one of its kind in any community of the size of Proctor, but is said to compare favorably with any department store in New England in beauty and convenience or arrangement."<sup>65</sup>

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<sup>58</sup> Company Store Report 1928, 3.

<sup>59</sup> Company Store Report 1928, 5.

<sup>60</sup> Company Store Report 1928, 1.

<sup>61</sup> Company Store Report 1929, 1.

<sup>62</sup> Company Store Report 1929, 2.

<sup>63</sup> Company Store Report 1929, 2.

<sup>64</sup> Company Store Report 1929, 1.

<sup>65</sup> "Store Celebrates 15<sup>th</sup> Anniversary", *Rutland Daily Herald* 12 March 1930, 13.

Despite its beauty and convenience the store's slide into the red continued. The last few years of the Proctor cooperative store brought challenges no one could have anticipated. The store had always stocked quality goods but the beginnings of the Great Depression meant that with unemployment on the rise there was a need to stock merchandise that people could afford.<sup>66</sup> The men's department, for example, had always carried high-end goods but now stocked more popular-priced items like overalls and work shirts.<sup>67</sup> Employees also felt the effects of the economic downturn as they received a 10% cut in pay effective 1 July 1931. Lawton suggested that his salary be cut by 20%. The store also saw a significant drop in employees. In 1928 they numbered 28, falling to 20 in 1930 and to 19 in 1931.<sup>68</sup>

Each department continued to suffer losses after 1926. The drug department could not compete with stores like the Economy Department Store in Rutland that marked down its toiletry items below wholesale cost in order to attract customers into the store to purchase other items in other departments.<sup>69</sup> The grocery department also suffered a loss but not as much had it not been connected with I.G.A. Lawton thought that the store should consider selling frozen meats and fish even though it meant replacing the refrigeration system.<sup>70</sup> Lawton tried to offset these losses by trying to convince the residents of Proctor that they could buy goods at the cooperative store as reasonably as in Rutland.<sup>71</sup> In his 1931 report he stated, "Even the most confirmed "Rutland shopper" cannot help but admit that it would be a great inconvenience at times if no store were maintained here...I feel that it is a good policy for the influential people of Proctor to set an example of buying at the company's store whenever they can..."<sup>72</sup>

All efforts failed and on 18 March 1932, the board of directors of the Vermont Marble Company decided not to continue the store "provided proper arrangements can be made to safeguard the interests of Proctor in the matter of store facilities."<sup>73</sup> On May 16<sup>th</sup> of that year C. H. Murdick and F. C. Negus opened businesses on the first floor of the store that had been partitioned through the center. Negus leased one side and set up a combination drugstore, candy

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<sup>66</sup> Company Store Report 1930, 6.

<sup>67</sup> Company Store Report 1931, 2.

<sup>68</sup> Company Store Report 1931, 1

<sup>69</sup> Lawton Report in Company Store Report 1931, 1.

<sup>70</sup> Lawton Report in Company Store Report 1931, 4.

<sup>71</sup> Lawton Report in Company Store Report 1931, 5.

<sup>72</sup> Lawton Report in Company Store Report 1931, 7.

<sup>73</sup> Company Store Report 1932, 1.

store, and ice cream parlor. Murdick opened up a grocery store on the other side<sup>74</sup>. In order to accomplish these changes the furniture department was closed out by sales and at auction and the men's furnishing and hardware departments were brought to the second floor.<sup>75</sup> The remaining departments, except hardware and coal, were sold to the owner of the Economy Store, William Ginsberg, who took possession of them on 24 June 1932. Stock in the hardware department was sold to J. W. Ladabouche who opened a store in the Sutherland Realty building. The coal business continued as a company department.<sup>76</sup>

A bookkeeper continued to work at the store collecting accounts, closing the books and handling orders for coal until 15 July 1932, when the store officially stopped its operations.<sup>77</sup> The operating loss totaled \$22,500.00 but was reduced to \$21,449.74 after the sale of fixtures and through other credits.<sup>78</sup>

Lawton had resigned as store manager on June 15<sup>th</sup> and in one short statement encapsulated the reasons why the cooperative ultimately failed. He said, "The problem presented by the flood, rapidly changing merchandising methods and the depression have made the period of my management a difficult one."<sup>79</sup> Those factors were far too great to overcome.

It cannot be discounted, however, that the Proctor Cooperative Store that was run by the Vermont Marble Company served the needs of the Town. The convenience of shopping in town at a store that matched or exceeded the quality of stock found in Rutland City could not be measured during the period when transportation was not convenient to a large number of residents. In addition, with the exception of 1913, 1921, 1922, and 1927-1931, employees who shopped at the store received a dividend from a high of 11% to a low of 1% from the store's profits. During the operation of the Proctor cooperative the Vermont Marble Company paid to its employee-shoppers a total of \$192,307.99 that was divided pro rata to their purchases. If all the stores that the company operated on this system are figured together the sum of its dividends approximates \$300,000.00.<sup>80</sup>

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<sup>74</sup> The Exchange May 1932, 1.

<sup>75</sup> Company Store Report 1932, 1.

<sup>76</sup> Company Store Report 1932, 2. The coal business was sold to George Johnson, the former manager, who operated the business as Proctor Coal Company which upon the death of his son, Charles, was sold to Chris Keyser, the present owner.

<sup>77</sup> Company Store Report 1932, 2.

<sup>78</sup> Company Store Report 1932, 2-3.

<sup>79</sup> Company Store Report 1932, 3.

<sup>80</sup> Smith, 8.

# The West Rutland Company Store

There were two company stores in West Rutland. The earliest one was part of the Sheldon and Slason Marble Company and began operations in 1855. It was run by H. H. Brown. When the Sutherland Falls Marble Company merged with the Rutland Marble Company operations in West Rutland to form the Vermont Marble Company Proctor continued the store that had been on site. E. Tremayne managed the store that was housed in the Rutland Marble Company's office for the company.<sup>81</sup> In 1892 the Vermont Marble Company assumed the Sheldon lease and store operations were consolidated in the Sheldon Marble Company building. The Rutland Marble Company store served as a three-family tenement for more than twenty years until it was torn down.<sup>82</sup> Tremayne took charge of the consolidated store with the help of bookkeeper, A. G. Dodge. Dodge became manager when Tremayne died and later the management was taken over by W. W. Sessions.<sup>83</sup>

The cooperative store in West Rutland was not immune to the changes that were occurring in American society. There were a number of independent stores in the town that competed with the company's store. Further, West Rutland was located on the trolley line making it easy for residents to shop in Rutland. Those who owned automobiles also used this means of freeing themselves from having to shop exclusively in West Rutland. These changes were positive ones for the consumers but were nails in the coffin of the cooperative store in West Rutland. In 1921 it was decided that the store would close except for the coal business that would stay in operation.<sup>84</sup> Ironically, the banner year for sales in the store had occurred in 1920 when it did a business of \$213,000.00. On January 1, 1922, the store was closed and the building was then used for storing supplies.<sup>85</sup> What stock could not be sold was taken to the Proctor store. The total loss as a result of the termination of the business at West Rutland was \$12,486.00 which was absorbed by the Vermont Marble Company.<sup>86</sup>

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<sup>81</sup> Smith, 1. Smith did not know when the Rutland Marble Company began operating a store.

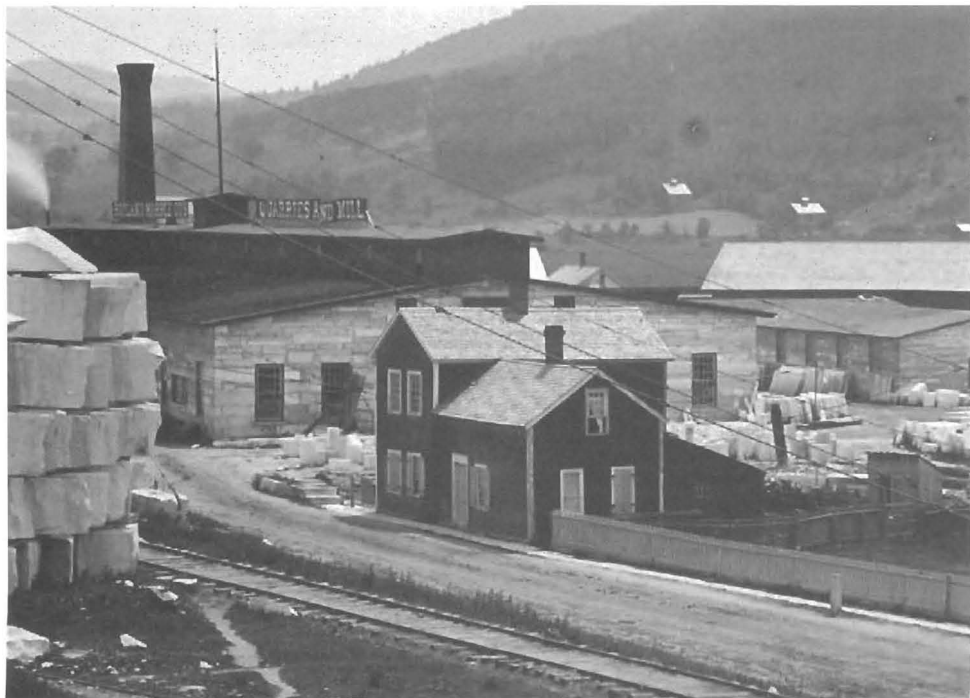
<sup>82</sup> Smith, 2.

<sup>83</sup> Smith, 2.

<sup>84</sup> Company Store Report 1921, 3.

<sup>85</sup> Smith, 11.

<sup>86</sup> Company Store Report 1922, 3.



*The old building of the earliest West Rutland company store.*



*The 1892 Vermont Marble Company store.*

## The Center Rutland Company Store

Around 1880 the Vermont Marble Company bought the abandoned Methodist church building that was located on the present site of the Rutland Town municipal building. It was remodeled into a store. H. G. Harris and the company were partners in this endeavor and the store was called H. G. Harris Company. A few years later the store's name was changed to J. E. Robinson Company. Robinson was the station agent on the Central Vermont Railroad at Center Rutland. He operated the store for the company on shares. This situation proved very unsatisfactory as related by H. Ladd Smith in his brief history of the store. It was through the loyalty and cooperation of a clerk, Hattie Graham, that "the nature of the unwholesome dealings" was revealed. The company then did business under its own name with E. A. Macomber and later, E. S. Slade as managers. In the early morning of December 21, 1907 a watchman for the Vermont Marble Company noticed that the store was on fire. He rushed to Slade's home to deliver the news. The men returned to the store and attempted to enter the building but were driven back by the smoke. The watchman spotted the fire around 2:30 a.m. but in the confusion and excitement that accompany such an event each person assumed that the fire alarm had been sounded. It was shortly before 4:00 a.m. when individuals wondering why the fire department had not responded realized no one had called in the fire. By the time the fire department arrived the building was fully engulfed and beyond saving. Work to prevent the fire from spreading to the two-story schoolhouse just to the east immediately got underway. Efforts to save that building were successful. The store's building also housed the post office and the town hall. The structure was insured for \$15,000 but damages were estimated to be over \$20,000.00 in stock as well as \$3,000.00 for the value of the building. At the time of the fire the company had employed six clerks but had been planning to discontinue the store after the first of the year.<sup>87</sup>

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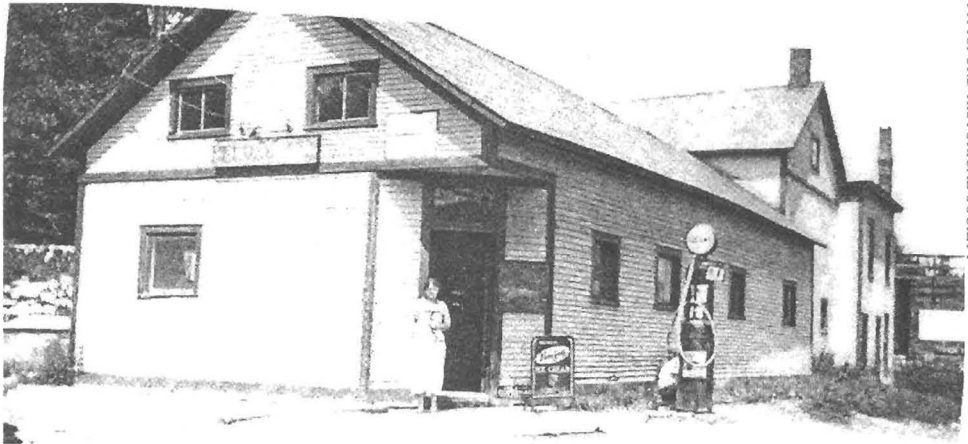
<sup>87</sup> "Prey of Early Morning Fire", *Rutland Daily Herald*, 21 December 1907, 2.



*The Center Rutland company store.*

# The Florence Company Store

In 1911 the Vermont Marble Company purchased the Rutland Florence Marble Company and with it acquired a small store at Florence. This store operated as a branch of the Proctor store. It was managed by George Mack who was transferred from the West Rutland store, later by William Sheldon who had worked in the Proctor store, and finally by John McLaughlin who had clerked at the store.<sup>88</sup> The decade of the 20s brought the same problems to Florence as it had to Proctor. In his 1927 report Lawton praised the energy and conscientious endeavor of McLaughlin in increasing the business that year.<sup>89</sup> The Company sold the store to McLaughlin on 6 June 1931, but kept the coal business. The loss by going out of business at Florence was \$833.00.



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*The old Rutland Florence Marble Company store.*

<sup>88</sup> Smith, 3.

<sup>89</sup> Lawton Report in Company Store Report 1927, 2.

## About the Author

Mary H. Fregosi is a retired educator from Proctor who has written: "The Vermont Marble Company Strike of 1935-1936" (Vol. 32 No. 3), "A History of the Proctor Y.M.C.A. and the Sutherland Club" (Vol. 33 No. 1), "When the F.B.I. Came To Town: One of Vermont's Mysteries" (Vol. 38 No. 2) and "Building the Proctor Marble Bridge: Conflict and Controversy" (Vol. 38 No. 3). Mary is a Proctor native who has also written a history of the Proctor-Pittsford Country Club and a history of Proctor High School boys' basketball.